Oklahoma CURRENT FARM ECONOMICS

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SHOULD MACHINE HARVESTED SEED COTTON BE STORED ON FARMS?
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ON THE COVER

Raymond B. Marshall, left, and John D. Campbell, members of the Agricultural Economics staff, compare samples of machine and hand harvested cotton. Marshall is the author of Sheep, Lambs, and Wool report, page 145; Campbell is the author of Cotton report, page 137, and the article, "Should Machine Harvested Seed Cotton Be Stored on Farms?" page 150. (Another in a series of pictures of Agricultural Economics and Extension division staff members whose reports appear in **Current Farm Economics.**)

Current Farm Economics

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The Agricultural Situation

GENERAL

Demand

The level of economic activity likely will remain favorable during the remainder of 1950. There probably has been a great deal of shifting of investments in an attempt to minimize the effects of the anticipated inflation. Both consumers and business men have shifted many of their investments to physical assets in the form of goods, or to physical assets or contracts which can command goods and services in exchange at some later date. This shift in investments has been based upon anticipations of large governmental expenditures and has played an important role in the upsurge in the economic activity since July 1. This influence will continue to create shortages of some goods even though production of those goods is on a high level.

However, it is entirely possible that, temporarily, some leveling off in the aggregate demand will occur before spring. It appears that at least a part of the increases in buying since July 1 has been caused by consumers purchasing in 3 months the goods and services which they normally would have purchased over a longer period of time. To this extent at least some of these purchases were borrowed from the future.

Apparently, some consumers were anticipating an immediate change from civilian production to an expanded war production in which extremely short supplies of civilian goods, price controls, wage controls, increased taxes, and limitations on credit would come forthwith. It is highly doubtful if all these changes could come as quickly as consumers apparently anticipated, even if a major conflict had been thrust upon the economy. It is not physically possible to change production immediately from peace time to war time needs. For example, it would take several weeks to change from civilian aircraft production to armed services aircraft production even at the present relatively low capacity. In view of recent technological changes, it would take a considerably longer period of time to manufacture new dies, assemble necessary supplies, and recruit and train personnel for mass production on the high level which would be necessary.

While it is true that the changeover to the production of some goods needed for armament can be effected quickly, a large portion of the goods and services needed will require from 3 to 6 months and possibly longer for production in quantity. Consequently, the increased activity resulting from larger armament expenditures will be limited, temporarily, to those industries in which only minor changes are necessary. This can be accomplished through overtime work, increased number of shifts, and possibly limited plant expansion. This increased activity should strengthen

the demand for and price of labor and raw materials, and should increase the gross income available for consumer purchases. However, **the full effect of the increased spending for armament purposes will not be visible before the middle of next year. The real inflationary problem will present itself at that time.**

In the interim, taxes will be higher and controls on credit will be more stringent. These factors, together with the fact that some consumer purchases since July 1 were borrowed from the future, should offset a part of the effect of large military expenditures, and may limit the upward trend in prices during the next 3 to 5 months. This influence will be more pronounced after the Christmas holiday season. **The only actual price declines that can be expected will be those which are either temporary in nature or are associated with normal seasonal variations.**

The general price level should increase gradually with higher costs of labor and raw materials. Industrial production will increase as the new orders for military goods begin to be filled. Disposable personal income will increase in the aggregate; however, consumers living on fixed incomes will be hard pressed to meet the higher expenses of living. There is a great amount of residential construction contracts, requiring at least 3 months to complete the majority of them; next year residential construction should be less than in 1950. Capital expansion by businesses — and by State and Federal governments may increase this fall in anticipation of short supplies, still higher prices, and the possibility of postponement of building plans. Unemployment should remain very low but will be seasonally higher during the winter months after Christmas. All these factors point toward maximum operation of the economy especially after the Spring of next year and to an inflationary gap which must be faced.

Price

Generally higher prices for agricultural commodities have pushed the index of prices received by United States farmers up 5 points from August 15 to 272 percent of the 1910-14 base on September 15.* On the other hand, the index of prices paid by farmers including interest, taxes, and farm wage rates increased 1 point to 259 percent of the base for the same period. The resulting parity ratio (index of prices received by farmers divided by the index of prices paid to farmers) increased 2 points to 105 in September as compared with 103 in August. On September 15 a year ago the parity ratio was 100.

The index of prices received by Oklahoma farmers on September 15 increased 22 points from August 15 to 308 percent of the 1910-14 base, while the index of prices paid by United States farmers (unrevised series excluding interest, taxes, and wage rates) increased 2 points to 265 per-

* Agricultural Prices, U.S.D.A., B.A.E., Sept., 1950, p. 1.

Table I.—Percentage Changes of September Prices from Prices in Selected Months by Commodity Groups: Oklahoma.

	From Sept., 1949	*From August, 1950*
All Commodities:	+21.2	+ 7.7
Total Crops:	+26.1	+10.7
Grains:	+ 7.2	− 1.8
Cotton and Cottonseed:	+37.1	+17.1
Miscellaneous Crops:	− 2.3	+ 1.2
Total Livestock and Livestock Products:	+12.3	+ 1.8
Meat Animals	+21.1	+ 0.9
Dairy Products	+ 0.9	+ 3.6
Chickens and Eggs	−18.0	+ 6.1

cent of the same base period. This resulted in a parity ratio of 116 for Oklahoma farmers in September as compared with 109 in August.

Total crops contributed a major share to the increase over a month earlier—(Table I). Most of this increase was by the cotton and cottonseed group. Grains declined some but miscellaneous crops were up slightly. The index of prices of total livestock and livestock products were up about 2 percent with only slight increases for meat animals and larger increases for dairy products and chickens and eggs.

Compared with September a year earlier, the prices received by Oklahoma farmers were up 21 percent compared with an increase of only 6 percent in the prices paid by farmers in the United States (unrevised series). The parity ratio a year earlier was 109 compared with the present ratio of 116.

Both total crops and total livestock and livestock products contributed to this increase with crops adding the greatest share. By commodity groups cotton and cottonseed showed the largest increase, followed by meat animals, grains, and dairy products in that order. Only miscellaneous crops and chickens and eggs showed price declines.

Income

Cash receipts from farm marketings during the first half of 1950 were down 7 to 8 percent from the first half of 1949. However, the higher prices in August and September are expected to offset a part of this decline. For the period January through September, cash receipts from farm marketings are estimated at 18.7 billion dollars, down only 4 percent from the same period of 1949.*

Of this total, cash receipts from the sale of livestock and livestock products will contribute 11.2 billion dollars as compared with 7.5 billion from the sale of crops. In general, prices are now comparable with those of last year but marketings are slightly down.

* *The Farm Income Situation*, U.S.D.A., B.A.E., August, 1950, p. 1.

September cash receipts are expected to be approximately 3.0 billion dollars, which is slightly higher than a year ago and about 10 percent higher than in the previous month. The volume marketings in September will be lower than last year, but higher prices should offset this decline. Crops and livestock and livestock products should contribute an equal share to these receipts. Compared with September a year ago, receipts from the sale of livestock and livestock products will be up about 7 percent while the receipts from crops will not change a great deal because of the lower volume of marketings.—**Leo V. Blakley.**

FARM REAL ESTATE*

Land Values Rise

Gains of from 1 to 3 percent in 34 states raised the July index of United States land values 2 percent above the March level. These gains were almost double those for the four months preceding March. The average in July was only 3 percent below the November 1948 peak.

Compared with a year ago, values this July were higher in 21 states, but lower in 22 states. The national average was the same. In Oklahoma, the index of values this July was 211 as compared to 203 a year ago.

The July, 1950 index of land values in Oklahoma was 131 percent above the 1935-39 level as compared to a national increase of 107 percent.

Volume of Voluntary Sales Drops

Latest estimates of the rate of farm sales are for the year ending March, 1950. Indications are that the volume of voluntary sales was about 9 percent below the previous year and over a third less than the peak years of 1946-47.

For Oklahoma, volume of voluntary sales for the year ending March, 1950 was 10 percent below the level for the previous year.

Although data are not available to indicate the trend in volume of sales since March, it is believed that the demand for farms may increase since farm income in 1950 may be higher than previously expected.

Adequate Credit Available

Although some tightening in farm mortgage credit was apparent during the first half of 1949, the situation has since eased; and there is

* Current Developments in *The Farm Real Estate Market*, Bureau of Agricultural Economics, United States Department of Agriculture, August, 1950.

little indication that lack of credit has been a factor in limiting farm sales.

Total outstanding farm mortgage debt on January 1, 1950 showed an increase for the fourth consecutive year. Despite these increases, current mortgage debt is still well below the 1935-39 average of 7.1 billion dollars and substantially less than the amount existing at the end of World War I.

Indications are that a substantial proportion of new farm mortgage recording results from refinancing of old short-term mortgages, the conversion of short-term loans into real estate mortgages, and borrowing for capital improvements. New mortgage recordings during the first quarter of 1950 were 8 percent larger than a year earlier and the largest for any 3-month period since 1934. Loans of all classes of lenders except individuals showed an increase. The amount of mortgage loans closed by the Federal Land Bank was 26 percent larger than during the first quarter of 1949; insurance companies showed a gain of 17 percent. This shift toward lenders offering long-term loans will tend to reduce the number of borrowers who might have difficulty in refinancing short-term loans if farm income dropped substantially.

Land Values Expected to Continue Strong

Increases in land values during the 4 months ending in July were due largely to the strength shown in prices of farm products and in general business conditions which had occurred before the Korean War.

The Korean situation has introduced a strong, new force in the economy. If the recent price advances of farm products are maintained during the balance of 1950, land values may be expected to continue strong.—Robert L. Tontz.

CROPS

Cotton

A definite shortage now exists in American cotton. Following reduced acreages in recent years came greater than average insect damage and higher domestic and foreign demands than anticipated. Federal officials are reported to be considering the establishment of price ceilings on raw cotton*. Exports will be limited by a licensing procedure after October 1, partly to prevent exports to unfriendly countries, but also partly in order to retain the supplies wanted in this country.

Statistics on the supply and demand give a more definite picture of the situation. The domestic carryover on August 1, 1950, was 6.7

* *The Cotton Trade Journal*, September 22, 1950, pp. 1.

million bales. The U. S. Department of Agriculture crop estimate in September was 9,882,000 bales, but the trade is expecting a sizeable reduction in the October estimate, perhaps to 9,000,000 bales. Imports have averaged about 200,000 bales in recent years. If imports are about average and the crop should amount to 9,500,000 bales, the supply in the U. S. in 1950-51 would total about 16,400,000 bales. Domestic consumption is now estimated at 10,500,000 bales for 1950-51, and domestic mills are requesting that amount be kept available for domestic consumption. In 1949-50, exports totaled 5,770,000 bales, and export demands are expected to be as strong or stronger in 1950-51. Since around 2,000,000 bales are needed for operating stocks between August 1 and the time when the new crop is available, the supply is less than the prospective demand, resulting in a loss of the sale of perhaps 2,000,000 bales.

The general impression now is there will be no production controls on the 1951 crop. As one source interprets the present law, present and prospective conditions prohibit both acreage allotments and marketing quotas*. The Cotton Mobilization committee (composed of farmers, merchants, mill operators and others appointed by the president of the National Cotton Council, Harold A. Young, to work with government officials on cotton problems) has recommended dropping all control measures and setting up a goal of 16,800,000 bales. This is about 70 percent above the current estimated production, and it will involve considerable cost and effort to achieve it.

Several factors will influence the actual acreage planted to cotton in 1951, including a lower supply of labor, and the price outlook for alternatives; the price outlook for cotton from now to planting time also will be important. Supplies of insecticides and fertilizer will influence some acreage. Prospects for supplies of cotton harvesting machines will be a factor in some areas. One of the important influences will be the effects of the 1951 acreage on future allotments, if any, and the prospects for controls in 1952 and later.

Early purchase of fertilizer, early purchases and/or saving of adequate supplies of cotton planting seed, adequate preparation for insect control, and the purchase of adapted cotton harvesting machines seems more than normally desirable for individual cotton farmers. Storm resistant varieties will have a greater advantage under conditions of short labor supplies and are also commonly preferred for stripper harvesting.

The supply of foreign cotton will exceed the demand by a larger margin than will the American supply in 1950-51. There was a carryover

* *The Cotton and Cotton Oil Press*, September 16, 1950, pp. 38.

of about 10,000,000 bales of foreign cotton August 1, 1950*. The foreign production is expected to be about 16,000,000 bales in 1950-51, for a supply of about 26,000,000 bales. In 1949-50, foreign consumption was about 15,000,000 bales. If 3,000,000 bales of American cotton are exported, and foreign consumption increases about as much as domestic consumption, there will still be around 8,000,000 bales of foreign cotton carried over on August 1, 1951, or a world carryover of around 10,000,000 bales. The world carryover averaged 17.0 million bales from 1934 to 1938 and 18.0 million bales from 1945 to 1948. It has not been below 10.0 million bales since 1925. Foreign production is expected to be limited to an increase of around 1.5 million bales in 1951 largely because of the demand for food. So cotton will be comparatively scarce throughout the world by August 1, 1951, and the replenishment of world stocks in 1951 depends mostly on the American cotton farmers.—John D. Campbell.

Wheat

The wheat situation is not only changing, but uncertain in markets of this country and of the world. The big market which seemed to take almost any amount available was disappearing up to the time of the Korean War. Even with present uncertainties it is not likely to be as big a market as before. This uncertain market demand is coupled with relatively large production prospects.

Prospective Supply and Use of United States Wheat in 1950-51

The United States supply for the 1950-51 crop year is approximately 1,429 million bushels. This figure includes the production which was estimated to be 1,012 million bushels on September 1, plus the July 1 carryover of 417 million.

Use of wheat in the United States for 1950-51 will be approximately 725 million bushels, leaving an estimated 704 million for other uses. Perhaps requirements for exports and military procurement will not be greater than 265 million bushels. If this is the case, the carryover on July 1, 1951 will be increased to 439 million bushels—roughly five percent more than in 1950.

Prospective Supplies in 1951-52

The question must be raised of how supplies in 1951 will be affected by 1951 production. Plantings likely will be relatively large for several reasons: 1. The acreage allotment of 72.8 million acres for 1951 has been exceeded in only seven years of our history; 2. The national average support price for the 1951 production will not be less than $1.99 per

* Calculated from "Cotton: Monthly Review of the World Situation." International Cotton Advisory Committee, Washington, D. C., Vol. 3, No. 12, pp. 1 and 2.

bushel, the same as is in effect for the 1950 crop. The support price may be higher if the parity price is higher in 1951 than in 1950; 3. There will be no marketing quotas on the 1951 crop.

If an acreage equal to the 72.8 million acre allotment is harvested in 1951, and if average yields are secured, the wheat crop will be approximately 1,150 million bushels. If the carryover is 439 million bushels, the total supplies for the 1951-52 crop year will be 1,589 million bushels, or slightly over twice the amount ordinarily consumed in the United States.

Foreign Situation

On July 1, 1950, stocks of wheat in the four major exporting countries—United States, Canada, Australia, and Argentina—were 783 million bushels, somewhat less than twice the 1935-39 average of 458 million. World trade likely will be less in 1950-51 but will be influenced by the international situation. The United States has an export quota of approximately 228 million bushels under the International Wheat Agreement, which is a strengthening factor.

Production in other areas of the world is, on the whole, higher than a year ago; in North America this is the case largely because of the high forecast for Canada. In Europe the bread grain production is estimated to be slightly larger than the good harvest of 1949, but about 5 percent under the 1935-39 average. In the Soviet Union bread grain production likely will show little change from the 1949 level. Although acreage increased some, yields are down slightly. In Asia production is up, perhaps 10 percent above the 1949 figure. Acreage in Argentina is about 152 percent greater than last year, and the production is expected to be higher than in recent years. Acreage is down slightly in Australia.*

The Cost of a Loaf of Bread

Consumers are pretty much interested about changes in the price of a loaf of bread. Increases in bread prices have been made with the statement that increased cost of wheat and flour was responsible. A recent study shows that of the 14½ cents price per loaf paid in 1949 the wheat farmer received 2.4 cents.** It is interesting to note that, although the total cost of ingredients dropped from 5.1 cents in 1947 to 4.2 cents in 1949, the price of bread increased from 13.0 to 14.5 cents. This was accounted for by an increase in baker's charges from 7.9 cents in 1947 to 10.3 cents in 1949.—**A. L. Larson.**

FEED

Reports of the U. S. Department of Agriculture released early in

* This discussion is based upon *"The Wheat Situation,"* July-August, 1950, U.S.D.A., B.A.E.

** *The Marketing and Transportation Situation*, September, 1950, U.S.D.A., B.A.E., page 1.

September indicated the prospect for another year of abundant feed supplies in all major categories. The supply of all feed concentrates was estimated at 181 million tons, or practically the same as last year. Hay supplies are larger than usual, and condition of pastures and ranges unusually good.

The aggregate supply of the four feed grains is less than 2 percent below that of last year, despite a 6 percent decrease in the corn crop. Much of the corn reduction was offset by increased production of oats and grain sorghums. With little change expected in the by-product feed situation, the supply of concentrate feeds per animal unit of livestock to be fed is indicated at 1.06 tons as compared to 1.07 tons last year and a 1937-41 average of .89 ton.

Hay supplies are estimated at 120 million tons, which is larger than in the past three years and includes a record crop of alfalfa. All legume hays make up more than half of the total tonnage. Total production in Oklahoma is up 6 percent over 1949, including a 10 and 2 percent increase in alfalfa prairie hay, respectively. Quality, however, is somewhat below average because of rainy weather at harvest.

Oklahoma's corn crop represents a 9 percent increase over last year. Grain sorghum prospects are 50 percent bigger than last year and 80 percent above average.

Range condition as of September 1 was reported at 84 percent as compared to a 10-year average of 82 percent for the Western range states. Oklahoma's range condition, however, was reported at 93 percent as compared to an 80 percent average.

Oilseed cake and meal production is expected to be about as large as last year. The record soybean crop will practically offset the reduced output of cottonseed and other oilseed cakes and meals. Grain by-product feeds are expected in like proportion, and an abundance of beet pulp is in prospect.

One not wholly unexpected factor has entered the situation since the September 8 government release of information concerning feed conditions. Frosts have been reported in much of the cornbelt, and since some fields in the upper portion of the area were a little later than usual, it is expected that soft corn will be found on a number of farms. The extent of the frost damage has not yet been fully determined. If it should be of extensive significance, this factor would surely result in increased demand and stronger prices for feeder cattle, particularly in view of the temptation to keep such cattle at home to utilize abundant supplies of feed and range.—**F. L. Underwood.**

LIVESTOCK AND LIVESTOCK PRODUCTS

Beef Cattle

For the next year or so, world meat production is expected to

improve over 1949, according to the latest report of **Foreign Crops and Markets.** Although meat output for 1950 and 1951 is expected to be larger, the per capita meat consumption of the world would still be about 5 percent below prewar as a result of population increases. Additions to meat supplies in 1950 and 1951 are expected mainly from pork. Largest gains are anticipated in Europe and the Soviet Union.

Present defense preparations in the United States and the Atlantic Pact nations are not expected to have any material effect on the world meat supply in 1950; however, further intensification of these activities may stimulate pork production, particularly in the United States.

Meat production in the United States was a little larger this summer than last summer because of increased pork production. Meat production this fall is also expected to exceed last fall's level. More beef as well as more pork will be available. Considerably more fed cattle will be marketed in September-October than during the same period last year. Grass cattle slaughter during these months is expected to be about equal to the number a year earlier.

Receipts of cattle and calves at the Oklahoma City market during August and the first three weeks of September increased seasonally above the June-July level (Table II). It will be noted, however, that marketings during July to September ranged materially below receipts a year ago, with the exception of cattle during September.

The demand for meat has increased substantially, according to the Bureau of Agricultural Economics. The percentage increase this spring and summer in the retail value of meat consumed was fully as great as that in consumers' incomes.

Table II—Stockyards Receipts of Salable Cattle and Calves at Oklahoma City for Selected Periods of 1950, with Comparisons*.

Period	1949		1950		Percent Change	
	Cattle	Calves	Cattle	Calves	Cattle	Calves
	Number				Percent	
January	36,513	4,711	42,250	4,200	+16	−11
February	31,483	3,925	34,850	3,700	+11	− 6
March	46,675	5,839	46,225	4,675	− 1	−20
April	30,330	4,550	28,025	3,575	− 8	−21
May	21,853	3,165	29,550	3,625	+35	+15
June	47,421	5,711	41,050	4,975	−13	−13
July	50,780	8,388	37,250	5,150	−27	−39
August	50,960	11,678	40,925	8,450	−20	−28
September**	52,082	16,526	50,025	12,800	− 4	−23
Total	368,097	64,493	350,150	51,150	− 5	−21

* Compiled from Weekly Livestock Market Reviews, Vol. XXIII, 1 to 38, Jan. 6, 1950-Sept. 22, 1950. U. S. Department of Agriculture, Production and Marketing Administration, Livestock Branch, Oklahoma City, Oklahoma.

** Up to and including September 22, 1950.

Table III—Prices Received by Producers for Steers and Calves by Classes and Grades at Oklahoma City, Week Ending September 15, 1950, With Comparisons*.

Item	Grade and Weight (lbs.)	Week Ending Sept. 16 1949	Week Ending Sept. 15 1950	Percent Change from 1949
		Dollars per cwt.		Percent
Slaughter:				
Steers:	Gd. 700-900	25.75	29.00	+11.3
	Med. 700-1100	20.65	27.00	+13.1
	Com. 700-1000	16.00	23.25	+14.5
Calves:	Gd. & Ch. 500 down	22.35	28.50	+12.8
	Com. & Med. 500 down	19.00	23.50	+12.4
	Cull 500 down	15.00	19.00	+12.7
Feeder and Stocker:				
Steers:	Gd. 500- 800	20.50	28.00	+13.7
	Med. 500-1000	17.25	25.00	+14.5
	Com. 500- 900	15.00	22.00	+14.7
Calves (Steers):	Gd. & Ch. 500 down	24.20	30.75	+12.7
	Med. 500 down	20.30	26.75	+13.2

* Compiled from *Weekly Livestock Market Reviews*, Vol. XXXII-37, September 16, 1949 and Vol. XIII-37, September 15, 1950, U. S. Department of Agriculture, Production and Marketing Administration, Livestock Branch, Oklahoma City, Oklahoma.

Cattle prices at the Oklahoma City market for the week ending September 15 ranged from 11 to 15 percent above levels a year earlier (Table III). As defense expenditures are expanded this fall and winter, consumer incomes are expected to rise, and demand for meat will be increasd further. Smaller than usual seasonal declines in prices of meats and meat animals are expected this fall.

Prices of top grades of cattle are not expected to increase sharply as they did last fall. Prices of lower grades of slaughter cattle and of feeder and stocker steers may decline when range marketing reach a seasonal high. Indications are that prices of grain-fed slaughter cattle in the first half of 1951 may be high enough to provide average returns to efficient feeders.—**Robert L. Tontz and Jeppe Kristensen.**

Dairy

Milk production on farms in the United States showed the largest August output since 1946. However, on a percapita basis, production as reported by the U. S. Department of Agriculture was 2.25 pounds per capita, the lowest for the month since 1936. It suggests that milk production is not increasing with the population.

Milk production on farms for the first eight months of 1950 totaled 85.2 billion pounds, a rate of production which should result in about 121.8 billion pounds for the year. This is near the 1949 production figure.

The high price for beef is resulting in a large number of "border line"

dairy breeding cows and heifers going to slaughter. These marketings may result in a reversal of the earlier trend of "more milk cows" to one of "fewer numbers" in 1951.

Cold storage holdings for August 31, 1950 were large, amounting to about 7.5 percent of the prospective 1950 production. Of the holdings, 46 percent are with the Commodity Credit Corporation, purchased to support producers' prices of milk at 79 percent of parity. This program is mandatory under the Agricultural Act of 1949.

The Tulsa markets for August used 9.4 million pounds of Grade A milk. Of this, 77 percent was Grade I*. Producers received $4.85 per 100 pounds of 4 percent milk of this grade. The balance was Class II** and brought $3.04 per 100 pounds. The blend of these prices resulted in a minimum of $4.44 per 100 for 4 percent milk being paid producers.

Per capita consumption of dairy products in the Tulsa market is slightly more than last year. About 50 percent of this increase is in fluid form.

It is expected that the very high consumer incomes will sustain dairy income. Prices of some dairy units may rise in line with reduced seasonal supplies. The rise in prices of manufactured dairy products will be limited by resale of government stocks at prices slightly above parity. The rise in prices will almost offset the seasonally small supply this fall.—A. W. Jacob.

Hogs

Hog prices have declined seasonally this fall as marketings have increased. Prices were steady in August, but decreased weekly during September. The receipts at the major markets are expected to expand further and the average selling weights increase as the marketing season proceeds. If this year follows past years, the seasonal peak of marketings will be in December.

Increasing demand for meat may tend to temper the size of further price reductions. Increasing defense expenditures coupled with very high industrial activity should result in a stronger demand for pork and other meats than prevailed in late 1949. Hog prices, in view of the strong demand, are currently higher than last year and may continue moderately higher for the remainder of the year.

The supply of hogs and the quantity of pork produced for the rest of the year is expected to be higher than for the same period of 1949. This should result from the 3 percent increase in the 1950 spring pig

* Class I milk used for fluid purposes.
** Class II milk used for manufacturing purposes.

crop which is being marketed this fall. Slaughter weights are expected to average close to those last fall, so the increased numbers should result in a corresponding increase in the quantity of pork produced.

The number of hogs slaughtered this summer was greater than last summer, resulting in a larger supply of pork. Market receipts dropped by mid-August and were no larger than a year earlier. During September market receipts increased substantially as the 1950 spring pig crop started arriving at the markets.—Howard S. Whitney.

Poultry

Chickens and Eggs.—Seasonal price movements have increased both chicken and egg prices over low levels reached earlier in the year. Egg prices received by Oklahoma farmers were quoted at 32.9 cents per dozen for September 15. This was 7 cents above the June 15 quotation, the low point of 1950. Oklahoma egg producers this year have received prices which have averaged 11.2 cents per dozen below the same period for 1949.

Usual seasonal price movements would indicate continued, though moderate increases through December 15. With poultry ration prices since May somewhat above those of 1949, the Egg-Feed Price ratio has continued to be unfavorable. From a low of 7.4 pounds of poultry ration equal in value to a dozen eggs, as was the case in May, this ratio has increased to 9.6 for September. The Egg-Feed Price ratio has averaged 7.7 for the first 9 months of 1950, and 11.5 for the same period last year. Usual seasonal increases in the price of eggs would mean a somewhat more favorable ratio for the balance of the year, but it is still likely to be less favorable than during previous years.

Prices received for poultry by Oklahoma farmers on September 15, this year, were just one cent under the price of a year earlier. If the usual seasonal pattern prevails for the remainder of the year, little change will occur in poultry prices.

Continued high levels of employment will support prices for both poultry and eggs. Competition of other foods for the consumers' money is likely to prevent any significant price changes in the next few months.

Turkeys.—Consumer purchasing power, competition of other foods, and the size of the total crop of turkeys will determine the price to be received by producers this fall. Oklahoma price quotations as of September 15 were 3 cents lower this year than last. For the United States as a whole, the quotation was down only 0.8 cents per pound.—**E. A. Tucker.**

Sheep, Lambs, and Wool

Sheep and Lambs.—Sheep numbers continue to decline in the United States. Breeding ewes 1 year old and over declined about 4 percent in both the Western Range States and the United States (Table IV).

The 4 percent decline in breeding ewes on farms January 1, 1950 compared with 1949 was less than the decline of 7 percent on January 1, 1949 compared with 1948 for the same regions. This indicates that, under cost price relationships as they existed in 1949 and during the first few months of 1950, a condition approaching stability in the sheep industry was within a reasonable possibility.

Since 1949, however, changes in the price of individual commodities and in groups of agricultural commodities have occurred. For example and for comparison the August 15, 1950 price situation compared with August, 1949, shows that the index of prices received by farmers for all crops, and livestock and livestock products moved up 12 and 8 percent, respectively. For the same period the price index for meat animals moved up 19 percent, food grains, 9 percent; feed grains and hay, 17 percent; and both cotton and wool, 26 percent.

These changes by individual and groups of commodities emphasizes, from the production point of view and for any given time, that the price of a particular commodity may be considered high or low only as related to other commodities and necessary production costs. Profitable production, of course, requires that consideration be given to cost price relationships that may have a bearing on the production contemplated.

Table IV—Breeding Ewes 1 Year Old and Over On Farms January 1, by Designated States and Divisions, Average 1937-1946, Annual 1949-1950.

State and Division	10 Year Average 1937-46	1949*	1950**	1950 Percentage Of	
				As A 1937-46 Average	1949
	Thousand			Percent	
Montana	2,503	1,433	1,304	52.1	90.9
Idaho	1,452	883	848	58.4	96.0
Wyoming	2,667	1,593	1,609	60.3	101.0
Colorado	1,454	1,010	973	66.9	96.3
New Mexico	1,592	1,112	1,077	67.7	96.9
Arizona	518	307	300	57.9	97.7
Utah	1,664	1,159	1,078	64.8	93.0
Nevada	566	380	355	62.7	93.4
Washington	450	251	234	52.0	93.2
Oregon	1,210	584	566	46.8	96.9
South Dakota	1,228	613	574	46.7	93.6
California	2,319	1,357	1,303	56.2	96.0
Texas	6,354	4,516	4,380	68.9	96.9
Oklahoma	200	79	81	40.5	102.5
West, including Oklahoma	24,177	15,277	14,682	60.7	96.1
Native States excluding Oklahoma	10,208	6,248	6,036	59.1	96.6
United States	34,385	21,525	20,718	60.3	96.3

Source: *Livestock On Farms, January 1.* U.S.D.A., B.A.E., Washington, D. C. February 15, 1950.
* Revised.
** Preliminary.

In the case of sheep and wool, prices are high at present as related to a historical base, but if expanded production is a desirable goal then the more important consideration may well be: "Are the prices received by farmers for sheep and wool and the necessary production costs such that returns from the production of sheep and wool compare favorably with returns from other possible production opportunities?" Data based on a survey by the Department of Agriculture show the percentage distribution of principal reasons reported by growers for their reduction in sheep numbers between 1943 and 1948.*

In the survey of 29 states which included 12 range states and 17 native sheep states, the principal reasons listed for reducing sheep numbers, according to importance as determined by percentage distribution, were: "(1) Unusual losses caused by dogs, wild animals and diseases, 16.3 percent, labor problems indicated by (2) Too much farm, had to cut down on something, 11.3 percent (3) Scarcity of hired help and high wages, 10.4 percent, (4) Available help not qualified, 7.1 percent, then (5) High cost of operations in relation to prices of sheep, lambs and wool, 6.4 percent, and (6) Low returns from sheep operations compared with returns from livestock and cash crops 13.4 percent."

Wool

Stocks of apparel wool in the United States at the end of the first quarter amounted to 143 million pounds, scoured basis, or 56 million below the same date last year. Fifty million pounds of the reduction came from CCC holdings. By August 1, 1950, CCC stocks were down to 100 thousand pounds compared with 17 million pounds on April 1.**

Domestic mills are consuming apparel wool at a substantially higher rate than last year. During January-May, United States woolen and worsted mills consumed 171 million pounds of apparel wool, scoured basis, or an annual rate of 415 million pounds compared with 343 million pounds in 1949.

The strong civilian demand and higher rate of consumption probably will continue, and unless there is a decided reversal in governmental policy relative to the defense effort, which seems highly unlikely, military and industrial procurement probably will be stepped up. The impact of the above two factors on world markets, in view of the relatively scarce world supply of apparel wool, may be expected to account for a continued strong demand for wool in future months.—Raymond B. Marshall.

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* *Causes of Declines in Sheep Numbers*, U.S.D.A., B.A.E.

** *The Wool Situation*, U.S.D.A., B.A.E., Washington, D. C., July, 1950.

Some Factors Associated With Separate Ownership of Mineral Rights*

Separate ownership of subsurface rights in Oklahoma is so common that the Oklahoma Agricultural Experiment Station made a study to determine some of the factors associated with such separation. Little is known about how some relationships are affected. For example, little is known of the relationships existing between land tenure and speculative ownership of mineral rights. However, this study which covered most of the western half of the State shows: (1) The distribution of ownership of mineral rights and, consequently (2) The distribution of lease income. (3) The possible effect of mineral rights separation on farm mortgage lending, and (4) The probable tax revenue under a proposed law to tax separately owned mineral rights.

Distribution of Ownership Of Mineral Rights

Mineral rights may be separated from the land itself and owned by an individual or firm who has no other interest in the land at all. This separation is commonly effected by either a mineral deed or by excepting the mineral rights in a warranty deed issued for the land.

The mineral deed gives to the grantee the right to prospect for and take possession of oil, gas, or other minerals he may find. The grantee may purchase all the mineral rights, but more commonly the transaction involves only a fractional interest.

When a landowner sells his land he may except a part or all of the mineral rights appurtinent to the land. In so doing he, like the possessor of a mineral deed, has the right to prospect for, and take possession of, the share of the minerals for which he retained the rights.

The area studied in Western Oklahoma comprised about 16,000,000 acres and included land in 35 counties. Of these 16,000,000 acres nearly 16 percent, or roughly 2,500,000 acres of mineral rights were owned by someone other than the landowner.

Of the 65,899 farms in the area studied an estimated 23,000 had some separation of mineral rights. About 14,000 farms in this area had 50 percent or more of the mineral rights under separate ownership.

Distribution of Lease Income

Lease income is distributed in the same proportion as ownership of mineral rights.** Therefore, about 16 percent of the income from leases and bonuses goes to non-landowners. In 1947 this amounted to about $1,700,000

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* This article is based on a Master's Thesis written by Oliver E. Davis of the Department of Agricultural Economics, Oklahoma A. & M. College, 1950.

** There are some exceptions such as sales of non-participating mineral rights, but these are relatively scarce.

in the area and over a 10-year period, 1938-1947, it would have amounted to about $1,000,000 per year if the same proportion, 16 percent, had been owned separately during the period.

Landowners, then, received about 84 percent of the lease and bonus income, roughly $9,000,000 in 1947. Of this amount actual farmers, that is, owner-operators, received about half or $4,500,000.**

The average income in 1947 to owner-operated land in the area was about 70 cents per acre from leases and bonuses. However, since all owner-operators did not have their land leased, the amount received by those who did was considerably greater than this amount.

Mineral Separation And Farm Mortgage Loans

Most farm loan agencies pay careful attention to the proportion of mineral rights separated from the land before making a loan on a farm. A greater proportion of the lenders require, as a general rule, that at least half the minerals be intact. However, numerous exceptions to this general rule are made by lending agencies. The proportion of mineral rights that must still be attached to the land is decided in each individual case. The lender, in order to protect the loan, must be sure that in the event actual drilling operations begin on the farm his security will not be impaired.

On a high quality farm, or one with a relatively heavy loan, the lender might require that all mineral rights be intact before he would feel that the loan is adequately secured. On a low quality farm, or a large acreage, or where the loan was relatively small, a lender might feel adequately protected if no minerals at all were intact.

The idea of adequacy represented by the presence of 50 percent of the mineral rights is so persistent, however, that Davis in his thesis arrived at a figure for the number of farms which might be questionable as security. He estimated that about 22 farms out of every 100 had half or more of the mineral rights separated from the land. This would mean that about 14,000 farms in the area might be considered unsuitable as security for a mortgage loan, particularly for a maximum loan.

Taxation Of Separated Mineral Rights

Within the past 10 years, at least three proposals have been made to place a tax on mineral rights owned separately from the land itself.** The most recent proposal would have levied an excise tax on the privilege of holding these rights. They were to be assessed at a minimum of $10.00 per acre and taxed at the rate of 15 mills per dollar.

The proposed tax would have resulted either in the owners of separated

** Income figures taken from, L. A. Parcher, *Undeveloped Mineral Rights As A Source Of Farm Income in Western Oklahoma*. Oklahoma Agricultural Experiment Station Bulletin Number B-337, October, 1949.

**At least two of these legislative proposals got as far as committee hearings where they failed to get committee approval.

mineral rights paying a tax on these rights and thus add to public revenue, or the mineral rights would be sold to the highest bidder. The latest proposal would have given the present surface owner the option of buying these rights at the highest bid. An earlier proposal would automatically have vested these rights in the surface owner in case of non-payment of taxes. One of the purposes of a tax on separated mineral rights was to help clear land titles clouded by mineral separation, although such a purpose was not stated in the bill.

Davis made an estimate of the probable revenue from the latest proposed tax. His calculations show that tax income from the area studied would have amounted to about $369,500, assuming that all separated mineral rights would have been assessed at the minimum of $10.00 per acre.

However, Davis also made an analysis of the probable tax income if separated mineral rights were taxed on the same basis as other property. Using as the rate of taxation the average rate in counties of the area, and as the valuation, the average income value arrived at in an earlier study,* he estimated that tax income would total about $723,500. Moreover, Davis pointed out that in spite of the higher rate and greater total return, it appeared that the latter method of taxation would be more equitable. It not only was based on the ability to pay, but met one of the main objections to the proposed tax that a $10.00 minimum valuation was too high.

Davis agreed with this objection and concluded that placing a high minimum would penalize the owners of low valued holdings. In addition, since there probably would be a strong tendency to value all separated rights at the minimum figure, if that figure is high, the proposed tax would favor the owners of more valuable holdings who actually are in a better position to pay the tax.—L. A. Parcher.

Should Machine Harvested Seed Cotton Be Stored On Farms?

All of the cotton produced on some farms has been harvested satisfactorily with harvesting machines in recent years, and their use appears likely to increase rather rapidly. Such machines may become the most common, if not the only, means used to harvest cotton in some areas. Cotton stripping machines have been found practical and profitable in Oklahoma.** It is being found from a survey now in progress that several Oklahoma farmers stripped their entire crops in the fall of 1949-50, and found the results so satisfactory that they plan to continue harvesting future crops that way.

* L. A. Parcher, *Income Value Of Undeveloped Mineral Rights In Western Oklahoma,* Oklahoma Agricultural Experiment Station Bulletin, No. B-341, December, 1949.

** "Oklahoma Farmers Find Cotton Stripping is Profitable," *Current Farm Economics,* October 1949, p.p. 145-148.

Machine harvesting will materially shorten the harvesting period. The survey mentioned above indicates that the bulk of cotton will be stripped in about a month, with nearly all of it harvested within six weeks unless the harvesting period is lengthened by unfavorable weather. Under Mississippi conditions, cotton picking machines have a 30- to 40-day season.*

Effect of Shorter Harvesting Periods

The shorter harvesting periods likely will cause either the construction of additional gins or the storing of seed cotton, both machine picked and machine stripped, except where excessive gin facilities now exist. Present gin facilities are becoming obsolete and will have to be replaced at high cost if they are maintained. New ginning machines, such as lint cleaners, that make better grades of cotton, are being developed, and improvements are being made in ginning machines now in use. These new and improved machines, together with the higher prices for gin machinery, result in a modern gin now costing around $100,000 compared to around $25,000 fifteen years ago. The higher costs of gins and shorter machine harvesting seasons make the construction and/or the maintenance of enough gin facilities to gin cotton as fast as it is machine harvested very costly.**

If seed cotton is to be stored (with or without mechanized harvesting) in order to obtain more economical use of modern gin machinery, the farm is the first location presenting an opportunity for such storage. Seed cotton has sometimes been stored temporarily on the ground in Oklahoma. Such storage usually involves risk of damage, even for short periods of time, and is impractical for the length of time that would be necessary to utilize one-half or more of the potential capacities of modern gins. Very little cotton is stored otherwise on Oklahoma farms. Only two gin operators out of 127 questioned reported their customers stored any cotton on their farms. Incomplete information was obtained on the amounts stored by these customers, but indications were that the amounts were small.

Impractical to Store Machine Harvested Cotton

In a survey of farmers who operated cotton strippers, it was found that 85 of a total of 96 thought it would be impractical to store machine harvested cotton on farms. The most common reasons given as to why such storage would be impractical were (1) lack of available buildings,

* Grady B. Crowe, "Mechanical Cotton Picker Operation in the Yazoo-Mississippi Delta," Progress Report, Mississippi Agricultural Experiment Station and U.S.D.A., BAE.

** "Machine Cotton Harvesting and Ginning Practice Adjustments," *Current Farm Economics*, August 1947, p.p. 87-96, and "The Impact of Mechanization on the Cotton Ginner," an address by Horace Hayden to the Second Beltwide Cotton Mechanization conference, Lubbock, Texas, October 1948, National Cotton Council and Cooperating Agencies.

(2) the additional labor required, (3) additional handling, transportation, and danger of mixing trash in the lint, (4) extra risks of fire, and (5) risks of damage to quality (heating, etc.). The data on the costs of storing seed cotton on Oklahoma farms is too limited to be used for measuring the costs involved in storing a large part of the cotton crop; however, comparisons provide considerable guidance for the evaluation of farm storage of seed cotton.

Part of the farmers who reported that farm storage of seed cotton would be practical had some space available for their own use without having to construct it. In spite of that, it appears that extra labor and other costs involved likely would lead to results very similar to those found in a recent study of farm storage of wheat*. It was found in that study that when commercial storage is available for wheat it does not pay the farmer to use his own farm storage already constructed, nor would it pay him to use farm storage even if it were provided without cost. While the costs of storing seed cotton would differ in several details from those involved in the storage of wheat, some of the principles involved would be rather similar.

Requirements for Farm Storage of Seed Cotton

Farm storage of seed cotton would require either a great deal of hand labor or rather expensive equipment to unload and load it. On most Oklahoma farms, buildings would have to be constructed. If machinery were used to unload and load cotton in buildings now on farms, expensive alternations would be required in some cases. The risk of fire and the risk of damage to the quality of the lint would both be greater on most farms than at most gins. Gin operators usually keep some fire fighting equipment available. Gins are commonly located in towns with water towers and fire departments, and gin operators probably could reduce fire risks further with automatic sprinkler systems. Gin operators would also be less likely to permit damage to the quality of the cotton lint and seed while in storage than would farmers, partly because ginners likely would have better facilities with which to move, dry, or otherwise condition the cotton.

Gin operators probably can construct seed cotton facilities cheaper, and which would be safer than a similar farm construction. Furthermore, gin operators could utilize such facilities more nearly to their capacities. Buildings could be designed for the storage of seed cotton at gins with fire walls (similar to compresses), and possibly in the shape of oil mill seed houses or other special designs so as to obtain much lower cost and safer space per unit of seed cotton than would be possible on farms.

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* "Comparative Costs of Grain Storage on Farms and in Elevators," Adlowe L. Larson, Thomas E. Hall, Howard S. Whitney, and Charles E. Myers, Oklahoma Agricultural Experiment Station, Bulletin No. B-349.

(A discussion on storage of seed cotton at gins, similar to this, is planned for the next issue of **Current Farm Economics.**)

Although the data are not available to demonstrate or compare the actual costs of storing seed cotton on farms with costs of storing in at gins or elsewhere, it appears from other comparisons that the majority of the farmers are correct in thinking it impractical to store machine harvested seed cotton on farms.—**John D. Campbell.**

Fewer Full-Time Farmers in Oklahoma

We all know from the current Census reports for 1950 that more people moved out of Oklahoma in the last 10 years than moved in. People have left other areas too, but the outward movement has been especially strong in Oklahoma. From the simple fact that Oklahoma's total population declined almost 113,000 people we can guess that there are fewer full-time farmers in the State than there used to be.

When we classify and reassemble some of the Census information that is already available, we find that the number of farm people has changed considerably more than the State totals show.

Farmers and Villagers

Our first step is separating the cities and towns that in 1950 contain 1,000 people or more, from the farmers and villagers in places smaller than 1,000. These cities and towns in Oklahoma **gained** 216,000 people between 1940 and 1950. So the farms, hamlets and villages of the State lost 329,000 people. One person out of four left our most rural areas in the last ten years.

Some individual towns slipped back a little of course. Some of the counties didn't gain much in their cities and towns, and several actually lost in their places greater than 1,000. But the cities and towns of the State, taken together, gained more than 20% between 1940 and 1950.

By contrast, almost all of Oklahoma's 77 counties lost population from their farms, hamlets and villages—places under 1000 population. Only four counties were exceptions. The two metropolitan counties, Tulsa and Oklahoma, gained. But the people settled in the open country and in the smaller places near the big cities really represent a "rural-urban fringe" development. Functionally they are part of the city itself. The other two counties that gained population in the open country were on the far end of the Panhandle.

If most of the cities and towns gained population, this means that the farms and villages lost a much larger proportion of their people than the totals show. In Figure 1 the percentage change in the farm and

village population (people in the open country and in centers of less than 1000) between 1940 and 1950 is shown by county. In a few counties little more than half as many farmers and villagers as were there in 1940 remained in 1950.

In later reports the Census Bureau will tell us the change in the strictly farm population. As yet we have to consider the farm people along with the residents of hamlets and villages having less than 1000 people in 1950. But we can be quite sure that many a farm house now stands vacant or is gone.

Part-time Farmers

Our second step is to make the best estimate we can of the number of people on farms who are not full-time farmers. The 1945 Census of Agriculture is our source. If a farmer reported that he worked off his farm 150 days or more in the previous year, his farming probably was a half-time job or less. (In 1944, more than two thirds of the "150-days-and-over farmers" worked at least 250 days off their farms.) One of six of Oklahoma's farmers was a part-time farmer in 1944—by the 150 days off the farm standard. Twenty-five years earlier, in 1929, only one farmer in 16 was a part-time farmer, by the same standard. The number of part-time farmers steadily increased between 1929 and 1944. Because 1944 was a war year, we cannot be sure that part-time farming has continued to increase through 1949. Some "rural residents," such as retired people, work off their farms less than 150 days. But they really don't intend to farm either. They just want to live in the open country. So at least we know that a sizeable fraction of Oklahoma's farmers are part-time farmers.

In Figure 2, part-time farmers, who worked off their farms 150 days or more in 1944, are shown as a percent of all farmers by county. You can see that the few counties that gained in farm and village population between 1940 and 1950, also seem to be strong part-time farming

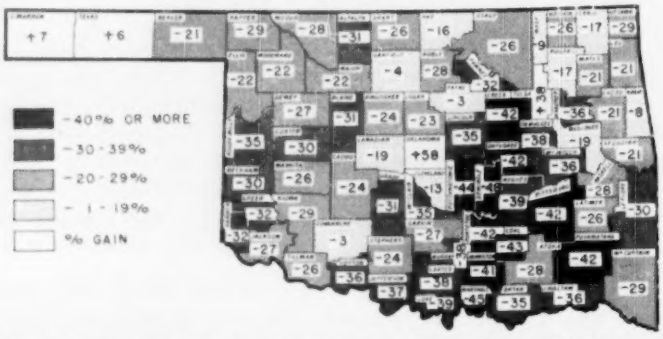

Fig. 1.—Change in population on farms and in places under 1,000, 1940-50, by counties.

areas. Their increase in farm and village population may be mainly part-time farmers and suburban residents.

Both of these maps and the information they are based on seem to show that our loss of full-time farmers may be even greater than most of us have thought.

Implications

What does a loss of open country people and the presence of part-time farmers in the country imply? What does fewer full-time farmers mean?

When farm operators decline in number it can mean several things. We don't know which is happening in Oklahoma, but there are at least three possibilities: If some farmers can handle more land than they used to, either alone or with the same help as before, then the farm is simply growing larger. If some operators are buying others out and hiring them as employees, farming systems are changing. And perhaps some farms are being totally abandoned and lying unused. A careful study would show the relative importance of all three trends. The fact that so many people have left Oklahoma farms suggests that the operation of more land by a smaller number of full-time farmers has been the dominant trend.

Do fewer full-time farmers mean a declining agriculture? Opinions may vary, but probably most people will approve of the trend provided: (1) Those who leave farming can find suitable nonfarm employment. (2) The income and level of living of the full-time farmers who remain is improved. And (3) the remaining farmers can produce as much food and fiber on the land as is consistent with good conservation principles. If all three of these conditions are met, many people will think that the shifts are an improvement in agriculture. Others who value farming mainly as a way of life, or who believe agriculture should support as many people as possible, will dislike the trend.

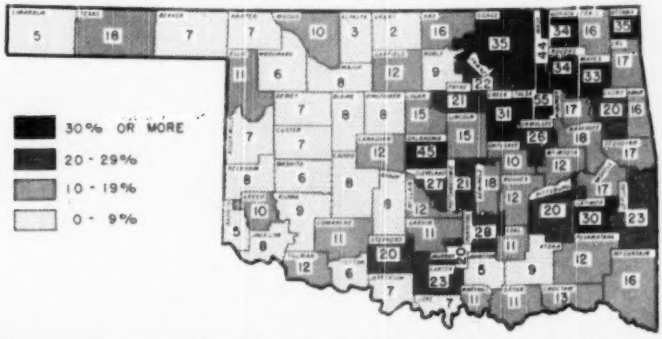

Fig. 2.—Farm operators reporting 150 or more days worked off farms, 1945, by counties.

However, such great changes as have occurred in some of our counties cannot be made without major, sometimes painful, readjustments in social organizations and in institutions such as churches and schools. The communities which are quickest to recognize the situation and to plan deliberately and intelligently for readjustment in their social life, probably will suffer the least.

Finally, when as many as one farmer in six, or even one in 10, is a part-time farmer, perhaps we should think of the part-time farmer's peculiar problems. The part-time farmer may have special needs which merchants and manufacturers can meet. He may be able to use services which public agencies serving primarily full-time farmers do not provide. And he and his family may be overlooked by leaders of churches, clubs, and other voluntary social organizations unless we keep in mind that he is there.—Robert A. Rohwer.

Prices Received by Farmers, Price Indexes, and Indexes of Purchasing Power of Oklahoma Farm Products
(1910-1914=100)

	Prices					Price Indexes					Purchasing Power Indexes [1]				
	1949	1950				1949	1950				1949	1950			
	Sept.	June	July	Aug.	Sept.	Sept.	June	July	Aug.	Sept.	Sept.	June	July	Aug.	Sept.
	(Dollars)					(Percent)					(Percent)				
Grain						208	216	226	227	223	82	84	87	86	84
Wheat (bu.)	1.90	1.90	1.99	2.01	2.01	221	221	231	234	234	87	86	89	89	88
Corn (bu.)	1.09	1.40	1.46	1.42	1.25	168	215	225	218	192	66	83	86	83	72
Oats (bu.)	.73	.82	.80	.80	.83	162	182	178	178	184	64	71	68	68	69
Barley (bu.)	1.08	1.15	1.14	1.19	1.20	183	195	194	202	203	72	76	74	77	77
Rye (bu.)	1.21	1.19	1.25	1.30	1.40	141	138	145	152	163	56	53	56	58	62
Grain Sorghums (bu.)	1.09	1.18	1.18	1.15	1.01	160	173	173	169	148	63	67	66	64	56
Cotton and Cottonseed						245	259	280	287	336	97	100	107	109	127
Cottonlint (lb.)	.280	.295	.32	.325	37.5	248	261	283	288	332	98	101	108	110	125
Cottonseed (ton)	43.50	47.00	49.00	56.00	72.00	222	240	250	286	368	88	93	96	109	139
Miscellaneous Crops						172	161	158	166	168	68	62	61	63	63
Potatoes, white (bu.)	1.75	1.20	1.25	1.55	1.65	158	108	113	140	149	62	42	43	53	56
Potatoes, sweet (bu.)	2.30	2.40	2.35	2.25	2.10	187	195	191	183	171	74	76	73	70	64
Hay, all loose (ton)	15.40	15.70	15.10	15.40	15.60	175	178	171	175	177	69	69	66	67	67
Total Crops						230	241	257	262	290	91	93	98	100	109
Meat Animals						360	405	432	432	436	142	157	166	164	164
Cattle (cwt.)	18.80	22.30	23.00	23.00	23.40	389	462	476	476	484	154	179	182	181	183
Calves (cwt.)	21.00	24.90	25.60	26.00	26.70	352	417	429	436	447	139	162	164	166	169
Sheep (cwt.)	8.50	10.40	9.00	9.50	11.00	184	224	195	205	238	73	87	75	78	90
Lambs (cwt.)	21.80	25.00	25.50	25.50	25.90	374	429	437	437	444	148	166	167	166	168
Hogs (cwt.)	20.60	18.70	23.00	22.80	22.30	293	266	327	324	317	116	103	125	123	120

Prices and Indexes, Cont'd.

	Prices					Price Indexes					Purchasing Power Indexes[1]				
	1949	1950				1949	1950				1949	1950			
	Sept.	June	July	Aug.	Sept.	Sept.	June	July	Aug.	Sept.	Sept.	June	July	Aug.	Sept.
	(Dollars)					(Percent)					(Percent)				
Dairy Products						229	222	219	223	231	91	86	84	85	87
Milk, wholesale (cwt.)	4.15	3.75	3.75	3.80	4.15	215	194	194	197	215	85	75	74	75	81
Butter (lb.)	.64	.63	.62	.63	.63	286	281	277	281	281	113	109	106	107	106
Butterfat (lb.)	.53	.53	.52	.53	.54	226	226	222	226	231	89	88	85	86	87
Chickens and Eggs						233	159	161	180	191	92	62	62	68	72
Chickens (lb.)	.206	.184	.184	.208	19.6	219	196	196	221	208	87	76	75	84	78
Eggs (doz.)	.424	.259	.264	.294	32.9	238	146	148	165	185	94	57	57	63	70
Total livestock and Livestock Products						310	322	338	342	348	123	125	130	130	131
All Commodities						254	265	281	286	308	100	103	108	109	116

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. and M. College, from data supplied by Bureau of Agricultural Economics, U.S.D.A., Oklahoma City, Oklahoma, and Washington, D. C.

For previous years, see Oklahoma Agri. Exp. Sta. Bul. 238, *Oklahoma Farm Price Statistics*, and *Current Farm Economics*, Okla. Expt. Sta. Series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in living and production.

—*Joyce Van Den Broeder.*

Price Indexes in the United States and Oklahoma and Indicators of Changes in Domestic Demand.

Year and Month	PRICE INDEXES Average 1910-14=100					INDICATORS OF CHANGES IN DOMESTIC DEMAND	
	Index of Prices Received by Farmers		Index of Prices Paid by Farmers United States	All-Commodity Index of Wholesale Prices United States	Oklahoma Hog-Corn Price Ratio[2]	Index of Demand Deposits Oklahoma[3] 1923-25=100	Index of Factory Payrolls[4] [7] 1939=100
	Oklahoma[1]	United States					
1910	108	102	98	103	14.43		
1911	98	95	101	95	9.17		
1912	96	100	100	101	11.15		
1913	101	101	101	102	11.21		
1914	97	101	100	99	10.55		
1915	100	98	105	102	10.48		
1916	125	118	124	125	10.61		
1917	193	175	149	172	9.52		
1918	226	202	176	192	9.20		
1919	236	213	202	202	11.14		
1920	221	211	201	225	12.55		
1921	109	125	152	142	17.95		
1922	130	132	149	141	13.39		
1923	161	142	152	147	7.44	97.0[5]	
1924	165	143	152	143	7.26	95.8	
1925	164	156	157	151	11.05	106.5	
1926	134	145	155	146	16.44	102.0	
1927	134	139	153	139	14.54	100.5	
1928	151	149	155	141	10.72	100.3	
1929	145	146	153	139	10.65	92.3	
1930	112	126	145	126	11.04	77.4	
1940	92	98	123	114	8.61	92.0[6]	113.6
1941	117	122	130	127	13.77	86.6	164.9
1942	152	157	152	144	14.35	107.4	241.5
1943	172	188	167	150	11.69	162.3	331.1
1944	181	195	176	152	10.56	215.9	343.7
1945	184	202	181	154	11.95	285.3	293.5
1946	226	233	203	177	11.56	335.3	271.1
1947	286	278	246	222	13.34	348.5	326.9
1948	293	287	264	241	12.69	353.3	351.4
1949	257	251	253	226	15.00	347.4	----
1950 Apr.	258	241	254	223[7]	11.82	349.6	337.2[7]
May	263[7]	247	257[7]	228	12.93	344.7	348.8[7]
June	265	247	258[7]	230[7]	13.36	346.0	362.2
July	281	263	261	238[7]	15.75	350.0	----
Aug.	286	267	263	243[7]	16.06	345.0	----
Sept.	308	272	265	247	17.84	----	----

SOURCES: Indexes of Oklahoma prices received by farmers, computed by Dept. Agri. Econ., Okla. Agri. Exp. Sta., Stillwater, Oklahoma. Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, Bur. of Agri. Econ., U. S. D. A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta., from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.

[1] Prices received by Oklahoma farmers for 25 commodities. Revised, 1910-1939, in January, 1940.

[2] These figures indicate the number of bushels of corn that could be purchased with 100 pounds of live hogs at current Oklahoma prices received by farmers.

[3] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[4] Unadjusted for seasonal variation.

[5] Nine months only. Not available prior to April 1923.

[6] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2. Feb.-Apr. 1940. p. 41.

[7] Revised.

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